



ASX ANNOUNCEMENT

21 October 2016

**PROPOSED RESTRUCTURING OF THE PAPERLINX SPS TRUST AND RESOLUTION OF SPICERS
LIMITED CAPITAL STRUCTURE**

Correcting a typographical error in the footnote of the announcement released on 11 October 2016.

ENDS

For further information, please contact:

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PROPOSED RESTRUCTURING OF THE PAPERLINX SPS TRUST AND RESOLUTION OF SPICERS LIMITED CAPITAL STRUCTURE

The Trust Company (RE Services) Limited (the "Responsible Entity"), part of Perpetual Limited, as the responsible entity for the PaperlinX SPS Trust ("SPS Trust"), notes the announcement released earlier today to the ASX by Spicers Limited (formerly PaperlinX Limited) ("Spicers") relating to a proposed resolution of Spicer's capital structure.

The Responsible Entity confirms that it has today received a non-binding, conditional proposal from Spicers to acquire the PaperlinX Step-Up Preference Securities (the "SPS Units") that it does not already own¹ for a consideration of 545 Spicers shares for every 1 SPS Unit on issue (the "Proposal"). Based on closing prices on 10 October 2016², the Proposal represents an implied valuation for the SPS Units of \$13.63 per unit, representing a premium to the closing price on 10 October 2016 of 51.4%.

The Proposal is predicated on the SPS Trust Unitholders (as a whole) receiving 70.0% of the enlarged Spicers equity base and would result in non-Spicers SPS Unitholders holding 68.3% of the combined entity.

The Proposal would be implemented via inter-conditional schemes:

- a) Trust Scheme of Arrangement pursuant to which Spicers will acquire the SPS Units in consideration for the issue of new ordinary shares in Spicers pursuant to an amendment to the Trust constitution ("Trust Scheme"); and
- b) Shareholders' Scheme, pursuant to which the Shareholders agree to issue new ordinary shares in order to facilitate the Trust Scheme pursuant to Chapter 5C of the Corporations Act,

The Responsible Entity is considering the Proposal and has appointed Shaw and Partners as Financial Adviser and Watson Mangioni as Legal Adviser. The Proposal follows a period of significant operational restructuring by Spicers. If the Responsible Entity concludes the Proposal (or an amended Proposal) is in the best interests of SPS Unitholders, as a whole, it will put the Proposal to SPS Unitholders for their vote. Any Trust Scheme would be accompanied by, and subject to, a review by an Independent Expert.

The Proposal is indicative, incomplete and subject to a number of conditions. There is no certainty that any formal proposal will emerge. Accordingly, SPS Unitholders are advised to take no action at this stage.

Further information will be announced to the ASX by the Responsible Entity when it is available.

ENDS

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¹ As at 4 October, Spicers holds 223,602 units in the SPS Trust.

² As at close of trading on 10 October 2016, the price of Spicers shares was \$0.025 and the price of the SPS Units was \$9.00.